Medicine Hat
The Gas City

Alberta's TOP 35 EMPLOYERS 2008

MEDIA RELEASE

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FOR IMMEDIATE RELEASE
MAY 5, 2008

ADMINISTRATIVE CHANGE TO IMPROVE CITY MUNICIPAL, ENERGY OPERATIONS

Council Approves Appointment of Chief Operating Officer for Energy

Medicine Hat – As part of its Strategic Plan for sustainable utilities and alternate energy, City Council today approved the appointment of Gerry Labas, MBA, as Chief Operating Officer (COO) for Energy on a full-time basis, replacing the position of Energy Commissioner.

Labas served as the Chief Administrative Officer for the City and either Corporate Services or Energy Commissioner for more than eight years. During that period, the City's assets and equity more than doubled to $1.5 billion and $1.14 billion respectfully.

"The City is growing rapidly, residents' service expectations continue to increase, and managing a major gas and electric division that operates in a competitive market place is becoming more challenging," says Mayor Norm Boucher. "Our Council recognizes Municipal Services and the Energy Division require their own special focus and mandate for continued success."

The Energy businesses, which include the Gas Utility, Electric Utility and Environment departments, will be led by COO Labas who reports directly to Council. Labas will step down as CAO for the City organization to focus on the Energy side as the new COO.

Prior to his term with the City, Labas served as Head of Strategic Planning and Corporate Audit with Farm Credit Corporation, President and CEO of SaskEnergy and Bayhurst Gas Ltd., and Vice President of Corporate Services and Assistant Vice President of Human Resources and Commissioning Superintendent with SaskPower.

"Our priorities are to look after the well being of Medicine Hat residents by ensuring the appropriate Municipal Services are delivered in the most effective manner and to ensure the commercial assets of our energy business continue to be managed effectively," says Mayor Boucher. "Medicine Hat is unique from other cities because we own a multi-million dollar energy business that includes electric generation and the 43rd largest natural gas producer in Canada. This restructuring will allow us to continue to build on the strengths in our Municipal and Energy operations."

City Council appointed Ron Webb as Acting Chief Administrative Officer for Municipal Services, which include the Corporate Services, Public Services, and Development and Infrastructure divisions. Webb was in senior management with the Province prior to joining the City in 1999 as General Manager of Community Development. Webb brings experience at the strategic and operational levels and has provided leadership on various City projects during his term.

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"The Administrative reorganization will create a more engaged organization that is keenly focused on Council's strategic plan and that is more effective and efficient in decision making," adds Mayor Boucher.

The reorganization and appointments of the Energy COO and Municipal Services Acting CAO take affect immediately. Both report directly to Council.

"This is an investment in organizational effectiveness," says Mayor Boucher. "The review provided an opportunity to look carefully at how we operate and to identify where there are opportunities to improve based on what we learned. These changes will help our Energy business "succeed" in a world where acquiring more natural gas reserves is proving more difficult and costly every day."

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Attachment: City of Medicine Hat Financial and Statistical Schedule 1999-2007

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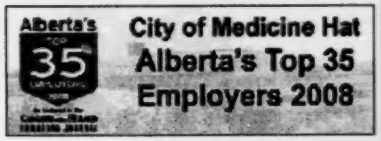
CITY OF MEDICINE HAT

Customer Service Satisfaction Levels



	Strongly disagree	Somewhat disagree	Neither agree nor disagree	Somewhat agree	Strongly agree	Don't know/not stated
was courteous and helpful	1%	4%	5%	84% 30%	54%	--
was knowledgeable about the services they provide	1%	3%	4%	96%	46%	<1%
responded quickly to your requests and concerns	9%	5%	8%	76% 31%	47%	--
exceeded your expectations in the service provided	12%	7%	16%	63% 38%	25%	1%

Financial and Statistical Schedules (Unaudited) Comparison 1999 - 2007 (Consolidated Blance Sheet in 000's)

Assets	**2007**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**	**2000**	**1999**
Cash and Investments	$ 233,331	$ 254,671	$ 195,815	$ 141,717	$ 101,079	$ 62,909	$ 81,849	$ 89,808	$ 40,355
Investment In Subsidiary	-	-	-	-	-	-	47,360	-	-
Advances to Subsidiary	18,016	17,958	18,978	20,448	21,270	31,009	11,515	-	-
Accounts Receivable(Net of Allowances)	47,541	46,308	39,449	33,192	28,630	31,748	21,536	35,059	19,188
Inventory for Consumption	12,145	9,881	8,422	9,275	8,739	8,889	8,296	10,097	9,533
Inventories for Resale	21,765	27,696	22,177	20,022	17,800	18,545	18,433	14,541	13,845
Deposits and Other Assets	1,920	1,761	3,222	2,308	1,291	1,164	959	538	1,856
Prepaid Expenses	1,031	1,152	1,068	934	615	771	6,688	1,205	-
Long Lived Asset - Retirement Obligation	43,522	21,795	19,403	19,828	13,760	5,875	-	-	-
Capital Assets	1,127,516	963,304	904,689	867,318	820,226	774,640	653,145	629,889	652,048
	$ 1,506,787	$ 1,344,526	$ 1,213,223	$ 1,115,042	$ 1,011,410	$ 935,550	$ 849,781	$ 781,137	$ 736,825

Liabilities	**2006**	**2006**	**2005**	**2004**	**2003**	**2002**	**2001**	**2000**	**1999**
Trade Accounts Payable	$ 17,919	$ 20,935	$ 12,998	$ 17,908	$ 11,563	$ 16,786	$ 9,981	$ 12,077	$ 10,873
Accrued Liabilities	45,705	42,474	43,654	29,108	28,501	25,266	15,024	19,179	14,310
Short-Term Debt	7,928	2,248	-	-	-	9,984	19,809	-	-
Long-Term Debt	195,252	183,971	154,751	158,203	156,249	144,166	136,195	165,469	176,792
Loss In Subsidiary	6,205	7,310	8,086	9,798	9,978	8,092	-	-	
Other Long-Term Liabilites	84,784	55,507	45,914	39,285	29,604	19,093	15,664	13,657	10,588
	357,793	312,445	265,403	254,302	235,895	223,387	196,673	210,382	212,563
Equity									
Equity In Capital Assets	927,320	779,333	749,938	709,114	663,975	630,148	516,950	468,252	478,139
Fund Balances	221,674	252,748	197,882	151,626	111,540	82,015	136,158	102,503	46,123
	1,148,994	1,032,081	947,820	860,740	775,515	712,163	653,108	570,755	524,262
	$ 1,506,787	$ 1,344,526	$ 1,213,223	$ 1,115,042	$ 1,011,410	$ 935,550	$ 849,781	$ 781,137	$ 736,825

NOTES:

- Effective 2004, the City adopted the new Canaidian Institute of Chartered Accountant standards and guidelines for Asset Retirement Obligation, the Full Cost Accounting Guideline and Accounting for Future Benefits.